



Public Service Commission

For Immediate Release: 11/16/23

Rory M. Christian, Chair

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23116/22-S-0659

PSC Adopts New Con Edison Steam Rates

Unopposed Joint Proposal Adopted by Commission

New Revenues Will Fund Various Capital Projects, Including Decarbonization Work

NEW YORK — The New York State Public Service Commission (Commission) today adopted a joint proposal to establish a new steam rate plan for Consolidated Edison Company of New York, Inc. (Con Edison) for three years. The signatories to the joint proposal are Con Edison, trial staff of the Department of Public Service, the City of New York, Consumer Power Advocates, and Natural Resources Defense Council, with limited support. Pursuant to the joint proposal, there would be annual increases in revenues for the company's steam service. The approved joint proposal results in an increase in steam-delivery revenues of \$77.8 million for each rate year, levelized over the three-year period to moderate rate impacts on customers. The joint proposal also includes an earnings-sharing mechanism by which customers will share annual earnings that exceed 9.75 percent.

"The joint proposal meets the conditions for approval under the Commission's settlement guidelines," **Commission Chair Rory M. Christian said.** "The joint proposal approved today will facilitate and advance in an efficient and equitable manner achievement of New York's clean energy goals and statutory policy objectives as mandated by the Climate Leadership and Community Protection Act or Climate Act. There were no public comments in opposition to the joint proposal."

The 100-mile long Con Edison steam system runs from the very bottom of Manhattan to 96th Street on the west side and 89th Street on the east side. It serves approximately 1,600 commercial customers, including the Empire State Building, the United Nations, Rockefeller Center, and multiple museums and hospitals. It is used primarily for heating and cooling, along with several other functions.

The adopted three-year rate plan is effective as of November 1, 2023 and it runs through October 31, 2026. The joint proposal provides levelized rate increases of \$77.8 million in each rate year (14.6 percent increase in the first year, 12.8 percent increase in the second year, and 11.3 percent increase in the third year). The last rate increase for the steam system was in 2014. The revenue increases are lower than those that likely would have resulted from a fully litigated proceeding, but still provide the company with sufficient funding to continue to maintain the steam system in a safe and reliable manner.

The additional revenues provided for in the joint proposal also will contribute to funding for various capital projects, including decarbonization efforts, such as an industrial heat pump project at Con Edison's East River Station and a hot water loop project that will utilize waste condensate to provide

hot water heat to neighboring buildings. The joint proposal also includes other provisions intending to increase the efficiency of the steam system and to assist steam customers with compliance with New York City's Local Law 97.

Today's decision may be obtained by going to the Commission Documents section of the Commission's Web site at www.dps.ny.gov and entering Case Number 22-S-0659 in the input box labeled "Search for Case/Matter Number". Many libraries offer free Internet access. Commission documents may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500). If you have difficulty understanding English, please call us at 1-800-342-3377 for free language assistance services regarding this press release.